United States Senate

WASHINGTON, DC 20510-0907

ARMED SERVICES

COMMERCE, SCIENCE
AND TRANSPORTATION

SPECIAL COMMITTEE ON AGING

COMMITTEES:

May 26, 2010

The Honorable Ken Salazar Secretary U.S. Department of the Interior 1849 C Street, N.W. Washington, D.C. 20240

Dear Secretary Salazar:

The ongoing oil spill in the Gulf of Mexico and the inability of British Petroleum (BP) and the Unified Command to effectively and expediently shut off the leak at the source and contain the oil is threatening Florida's economy, the environment and ecosystems it depends on and the jobs of an untold number of Floridians. Potentially more distressing, is the possibility that this calamity could have been avoided altogether had proper oversight of the permitting and regulatory process been exercised by the Minerals Management Service (MMS) under the Department of the Interior (DOI).

This possibility is raised with the contents of the recently released DOI Inspector General Investigative Report, *Island Operating Company et al.* Specifically, the report suggests that three types of conflict of interest existed at MMS: conflicts of interest between MMS officials and the private sector they were charged with providing oversight, improper gifts being accepted by MMS officials from the private sector, and the intimacy of the relationships between MMS employees and employees from the oil industry.

While the inappropriate behavior and relationships described in this report predate your tenure as DOI Secretary, the culture of corruption and malfeasance must have been apparent at some point over the past 18 months. In light of the contents of this report, I would ask that you answer the below questions and provide any requested documents as soon as possible.

- 1. Do you agree that there is a conflict of interest problem in the MMS inspection regime? Why or why not? Can you give examples for your response?
- 2. Please explain any steps that have been taken to ensure that conflicts of interest are eliminated in the MMS inspection protocol.
- 3. How do you plan to address the inherent conflict of interest within the current MMS inspection regime and those MMS employees in employment negotiations with oil producers while "still performing inspections of platforms operated by the company?" (Report pg. 2) (One MMS employee claimed that "almost all of our inspectors have worked for oil companies out on these same platforms." Report pg. 3)
- 4. How do you plan to address the inherent conflict of interest within the current MMS inspection regime caused by the intimate relationships between inspectors and those they regulate? (One MMS

employee stated the employees of the oil companies and those of MMS "grew up in the same towns. Some of these people, they've been friends all their life. They've been with these people since they were kids." Report pg. 3)

- 5. How do you plan to address the inherent conflict of interest within the current MMS inspection regime caused by gifts and gratuities given to them by oil companies?
 - A) What steps have been taken to resolve the acceptance/solicitation of improper gifts from oil companies?
 - B) What steps have been taken to ensure that MMS employees will report all gifts or reimbursements for oil companies on their annual financial report? Should the acceptance of gifts be allowed to continue?
- 6. How do you plan to address reports of MMS employees soliciting and accepting jobs in the very industry they are charged with providing oversight?
 - A) What, if any, procedures are in place to ensure that there is not a revolving door of employment between oil producers and MMS? For example, is there a waiting period to prevent conflicts of interest? How long is the waiting period?
 - B) If no procedures are in place then, why not? If there are procedures in place, then how will they be enforced?
- 7. Please explain how other issues found by the Inspector General will be resolved. For example:
 - A) The Inspector General's report suggests that MMS employees may have engaged in illicit drug use while on the job. What steps have been taken to ensure that MMS tests their employees for the use of drugs?
 - B) What steps have been taken to ensure that employees are not using their government computers or email accounts for inappropriate purposes or to seek employment with non-governmental entities?

I look forward to your prompt and thorough response. Please do not hesitate to contact me directly should have any questions or require any clarifications.

Very truly yours,

George S. LeMieux

United States Senator